

MEMORANDUM

Agenda Item No. 11(A)(10)

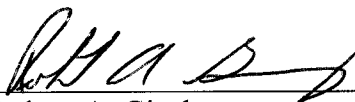
TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: June 7, 2005

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Resolution approving Miami-
Dade County Housing Finance
Authority to establish a
\$5,000,000 master line of
credit with Fannie Mae

The accompanying resolution was prepared and placed on the agenda at the request of Commissioner Carlos A. Gimenez and Dr. Barbara Carey-Shuler.



Robert A. Ginsburg
County Attorney

RAG/bw



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: June 7, 2005

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. 11(A)(10)

Please note any items checked.

_____ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised

_____ 6 weeks required between first reading and public hearing

_____ 4 weeks notification to municipal officials required prior to public hearing

_____ Decreases revenues or increases expenditures without balancing budget

_____ Budget required

_____ Statement of fiscal impact required

_____ Bid waiver requiring County Manager's written recommendation

_____ Ordinance creating a new board requires detailed County Manager's report for public hearing

_____ Housekeeping item (no policy decision required)

_____ No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(10)
6-7-05

RESOLUTION NO. _____

**RESOLUTION APPROVING MIAMI-DADE COUNTY
HOUSING FINANCE AUTHORITY TO ESTABLISH A
\$5,000,000 MASTER LINE OF CREDIT WITH FANNIE MAE**

WHEREAS, the Miami-Dade County Housing Finance Authority (the “Authority”) wants to facilitate the acquisition, rehabilitation, construction and development of affordable residential housing by leveraging its funds to finance affordable housing programs; and

WHEREAS, Fannie Mae (“FNMA”) has agreed to provide a Master Line of Credit facility to the Authority, via its American Community Fund Program which facilitates front-end financing for single family and multi-family housing and mixed-use developments, for the purpose of providing interim financing for acquisition, development, rehabilitation and construction of residential housing. The summary of terms of the non-revolving line of credit (the “Master Line of Credit”) is attached hereto and incorporated by reference; and

WHEREAS, the Authority has received four (4) proposed developments with a commitment from FNMA which consists of a \$1,800,000 revolving line of credit request for (a) Redevelopment of the Bahamian Promenade, Coconut Grove, (b) In-Fill/Rehabilitation of affordable housing, Richmond Heights, (c) In-Fill/Affordable housing construction program with Opa-locka Community Development Corporation, Opa-locka, and a \$3,000,000 revolving line of credit request for (d) Capital Loft Loan Participation, Downtown Miami, and which if the Master Line of Credit is authorized by the Board, said developments will be financed under this program,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that the Board approves the Authority to establish a Master Line of Credit with FNMA, pursuant to the summary of terms set forth in the Master Line of Credit Commitment Letter from FNMA to the Authority, attached hereto, for an initial line of credit amount of \$5,000,000, which amount may be increased by a maximum of ten percent (10%) or decreased by FNMA and the Authority in the future, according to market conditions, with the intent of financing the proposed or other developments while serving the needs and demands of the affordable housing market in Miami-Dade County. The payment of fees and costs associated with the Authority's Master Line of Credit shall be based upon the prevailing market rates as identified and outlined in the summary of terms.

The foregoing resolution was sponsored by Commissioner Carlos A. Gimenez and Dr. Barbara Carey-Shuler and was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	
Dennis C. Moss, Vice-Chairman	
Bruno A. Barreiro	Dr. Barbara Carey-Shuler
Jose "Pepe" Diaz	Carlos A. Gimenez
Sally A. Heyman	Barbara J. Jordan
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 7th day of June, 2005. This Resolution and contract, if not vetoed, shall become effective in accordance with Resolution No. R-377-04.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency. DSSH/

By: _____
Deputy Clerk

David Stephen Hope

5

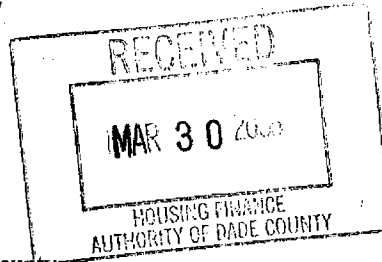


Central Florida Partnership Office

Suite 1590
255 South Orange Avenue
Orlando, FL 32801-3496
407 481 8323
877 469 4545 (toll free)

March 26, 2005

Ms Patricia J. Braynon
Director,
Housing Finance Authority Miami-Dade County
25 West Flagler St, Suite 950
Miami, FL 33130-1720



RE: \$1,800,000 Revolving Line of Credit Request For :

- (a) Redevelopment of the Bahamian Promenade
- (b) In-fill/Rehabilitation of Affordable housing in Richmond Heights.
- (c) In-fill Affordable housing construction program with Opa-Locka Community Development Corporation.

Dear Ms. Braynon:

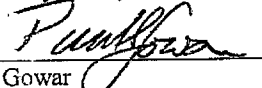
In response to your inquiry, we are pleased to inform you that Fannie Mae has approved a \$1,800,000 revolving line of credit subject to the terms and conditions included in the attached letter. All terms and conditions are subject to change and modification until agreed to by all parties in writing.

The closing of the Loan must take place on or before June 25, 2005. If the closing does not occur on or before such date, the terms set forth on the term sheet may be revoked by Fannie Mae without additional notice. Upon receipt of a copy of this letter counter-signed by you, we will instruct outside counsel to prepare the necessary loan documents for this transaction. Your signature indicates you agree to pay Fannie Mae's legal fees in connection with the Loan whether or not the Loan actually closes. Fannie Mae's obligation to enter into the Loan is subject to satisfactory completion of due diligence, full execution of the loan documents in form and substance acceptable to Fannie Mae on or before June 25, 2005, and satisfaction of any conditions set forth in the attached term sheet. Additional conditions may need to be satisfied as required by Fannie Mae counsel. Please be advised that no agreement shall be binding as to Fannie Mae unless and until the parties execute a formal written agreement.

We look forward to working with you. So that we may begin to prepare the necessary documentation for this transaction, kindly sign below and return the counter-signed copy of this letter within 30 days of the date hereof to the undersigned by fax (407-487-5908) and regular or overnight mail. If we do not receive the counter-signed copy of this letter on or before April 28, 2005 the terms set forth herein may be revoked by Fannie Mae.

Should you have any questions or if you would like to discuss any items set forth herein, I can be reached at 407-487-5903 or via email at paul_gowar@fanniemae.com. Thank you for giving Fannie Mae the opportunity to consider the proposed transaction and we look forward to hearing from you.

Very truly yours,


Paul Gowar
Community Development Business Manager
Fannie Mae American Communities Fund

Cc: Katrina Wright
Steven Brannum



Summary of Terms of Revolving Line of Credit

Borrower: Housing Finance Authority of Miami-Dade County, Florida

Rating of Borrower: HFA does not have issuer rating.

Type of Financing: Revolving Line of Credit (the "Loan")

Loan Amount: \$1,800,000. The HFA may request a reduction in the amount of this facility after 12 months based upon repayment of one of the projects financed.

Maturity: 24 Months

Tax Status: Taxable

Interest Rate: Variable interest rate based on 3 month LIBOR (as published in *The Wall Street Journal*) + 150 basis points. The initial interest rate will be set on the closing date.

Interest Rate Reset: Interest rate will be reset quarterly on the first day of each calendar quarter (January 1, April 1, July 1, and October 1).

Interest Payment: Quarterly payments of interest to be paid in arrears on the first day of each calendar quarter and calculated on an actual/360 basis.

Principal Payment: Principal repayment of each Draw will be due at the earlier of (1) 30 days from the closing of permanent financing for any project financed with the proceeds of this Loan, in an amount equivalent to the amount borrowed for said project, or (2) 12 months from the date of the draw. In any event, all outstanding principal, with accrued interest, will be due at Maturity

Prepayment: Prepayment may occur at any time

Use of Proceeds: The loan proceeds will be used to finance the acquisition and rehabilitation of properties in order to retain their affordability to local residents. The HFA will re-lend the funds available from this facility to three local non-profit organizations in order to accomplish this goal.

Security/Recourse: Full recourse to the borrower's assets.

Collateral: 25% of total Loan amount collateralized by a perfected first lien security interest in cash or cash equivalents. The cash collateral will be held in a segregated account for the benefit of, and pledged to Fannie Mae.



FannieMae

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255 South Orange Avenue
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or

25% of total Loan amount collateralized by an irrevocable letter of credit from a financial institution with a minimum long term debt rating of A (S&P) and A2 (Moody's).

Draw Period

Expiration: Six months prior to maturity date.

Legal Fees: All legal fees to be paid by the Borrower at closing.

Origination Fee: 100 basis points of the Loan amount, due and payable at closing.

Standby Fee: During the period from closing until the end of the draw period, the Borrower shall pay a standby fee (the "Standby Fee") to Fannie Mae on the "Undrawn Portion" of the Loan, which is an amount equal to the Loan less the outstanding unpaid principal balance of the promissory note evidencing the Loan at the time of calculation. The Standby Fee shall be an amount, per annum, equal to fifteen (15) basis points calculated on the Undrawn Portion, and shall be calculated monthly based on the Undrawn Portion as of the last day of the month, and shall be due and payable by the Borrower quarterly.

Required Due

Diligence

Documentation:

- A. A copy of Borrower's audited annual financial statements from each of the last three years.
- B. A copy of the borrower's current year budget.
- C. A copy of Borrower's Charter/organizational documentation.

Required Loan

Documentation:

- A. Loan and Security Agreement
- B. Promissory Note
- C. General Certificate of Borrower
- D. Required Consents
- E. Opinion of Borrower's Counsel
- F. Pending Litigation Report
- G. Collateral Documentation
- H. Request for Advance

Reporting

Requirements:

- A. Audited annual financial statements (within 180 days of fiscal year end).
- B. Annual Budget (on or before first day of each fiscal year).



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Loan Covenants:

- A. No Fannie Mae Foundation grants, loans or investments may be used by the Borrower to repay or facilitate the repayment of the Credit Facility.
- B. The Borrower will make timely payments of principal and interest.
- C. The Borrower will obey and comply with all laws, ordinances and regulations that may adversely affect its corporate existence or that may be ordered by a court or other governmental body.
- D. The Borrower will pay all of its debt obligations in accordance with the terms set forth in those obligations.
- E. The Borrower will notify Fannie Mae in writing of any event of default within three days after obtaining knowledge of the event.
- F. Within 30 days of the commencement of a lawsuit that may materially impact the Borrower, the Borrower will notify Fannie Mae in writing of the suit.
- G. The Borrower will provide such information as Fannie Mae may request with reasonable promptness.
- H. The Borrower will maintain proper books and records.
- I. The Borrower shall cooperate with Fannie Mae with respect to any publicity relating to the Loan or projects funded with the Loan.
- J. The Borrower will not further encumber the collateral pledged to Fannie Mae.

Accepted By: _____

Date: _____

Name: _____

Title: _____



FannieMae

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March 26, 2005

Ms Patricia J. Braynon,
Director,
Housing Finance Authority Miami-Dade County
25 West Flagler St, Suite 950
Miami, FL 33130-1720

RE: \$3,000,000 Non-Revolving Line of Credit Request For Capital Lofts Loan Participation

Dear Ms. Braynon:

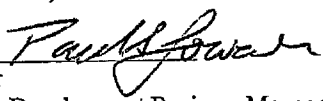
In response to your inquiry, we are pleased to inform you that Fannie Mae has approved a \$3,000,000 non-revolving line of credit subject to the terms and conditions included in the attached letter. All terms and conditions are subject to change and modification until agreed to by all parties in writing.

The closing of the Loan must take place on or before June 25, 2005. If the closing does not occur on or before such date, the terms set forth on the term sheet may be revoked by Fannie Mae without additional notice. Upon receipt of a copy of this letter counter-signed by you, we will instruct outside counsel to prepare the necessary loan documents for this transaction. Your signature indicates you agree to pay Fannie Mae's legal fees in connection with the Loan whether or not the Loan actually closes. Fannie Mae's obligation to enter into the Loan is subject to satisfactory completion of due diligence, full execution of the loan documents in form and substance acceptable to Fannie Mae on or before June 25, 2005 and satisfaction of any conditions set forth in the attached term sheet. Additional conditions may need to be satisfied as required by Fannie Mae counsel. Please be advised that no agreement shall be binding as to Fannie Mae unless and until the parties execute a formal written agreement.

We look forward to working with you. So that we may begin to prepare the necessary documentation for this transaction, kindly sign below and return the counter-signed copy of this letter within 30 days of the date hereof to the undersigned by fax (407-487-5908) and regular or overnight mail. If we do not receive the counter-signed copy of this letter on or before April 28, 2005 the terms set forth herein may be revoked by Fannie Mae.

Should you have any questions or if you would like to discuss any items set forth herein, I can be reached at 407-487-5903 or via email at paul_gowar@fanniemae.com. Thank you for giving Fannie Mae the opportunity to consider the proposed transaction and we look forward to hearing from you.

Very truly yours,


Paul Gowar
Community Development Business Manager
Fannie Mae American Communities Fund

Cc: Katrina Wright
Steven Brannum



FannieMae

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Summary of Terms of Non-Revolving Line of Credit

Borrower: Housing Finance Authority of Miami-Dade County, Florida

Rating of Borrower: HFA does not have issuer rating.

Type of Financing: Non-Revolving Line of Credit to finance Participation in Construction line with Citibank (the "Loan") on Capital Lofts, Miami

Loan Amount: \$3,000,000

Maturity: 30 Months

Tax Status: Taxable

Interest Rate: Variable interest rate based on 3 month LIBOR (as published in *The Wall Street Journal*) + 150 basis points. The initial interest rate will be set on the closing date.

Interest Rate Reset: Interest rate will be reset quarterly on the first day of each calendar quarter (January 1, April 1, July 1, and October 1).

Interest Payment: Monthly payments of interest to be paid in arrears on the first day of each calendar quarter and calculated on an actual/360 basis.

Principal Payment: Principal repayment to start the earlier of (1) 30 days from the closing of permanent financing for any units financed with the proceeds of this Loan or (2) 24 months from the date of the first draw. In any event, all outstanding principal, with accrued interest, will be due at Maturity.

Prepayment: Prepayment may occur at any time

Use of Proceeds: The loan proceeds will be used to finance the HFA's participation in a construction loan for the rehabilitation and construction of residential condominium units in order to ensure an Affordable component is maintained for local residents.

Security/Recourse: Full recourse to the borrower's assets.

Collateral: 25% of total Loan amount collateralized by a perfected first lien security interest in cash or cash equivalents. The cash collateral will be held in a segregated account for the benefit of, and pledged to Fannie Mae.

or



FannieMae

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25% of total Loan amount collateralized by an irrevocable letter of credit from a financial institution with a minimum long term debt rating of A (S&P) and A2 (Moody's).

**Draw Period
Expiration:**

Six months prior to maturity date.

Legal Fees:

All legal fees to be paid by the Borrower at closing.

Origination Fee:

100 basis points of the Loan amount, due and payable at closing.

Standby Fee:

During the period from closing until the end of the draw period, the Borrower shall pay a standby fee (the "Standby Fee") to Fannie Mae on the "Undrawn Portion" of the Loan, which is an amount equal to the Loan less the outstanding unpaid principal balance of the promissory note evidencing the Loan at the time of calculation. The Standby Fee shall be an amount, per annum, equal to fifteen (15) basis points calculated on the Undrawn Portion, and shall be calculated monthly based on the Undrawn Portion as of the last day of the month, and shall be due and payable by the Borrower quarterly.

**Required Due
Diligence
Documentation:**

- A. A copy of Borrower's audited annual financial statements from each of the last three years.
- B. A copy of the borrower's current year budget.
- C. A copy of Borrower's Charter/organizational documentation.

**Required Loan
Documentation:**

- A. Loan and Security Agreement
- B. Promissory Note
- C. General Certificate of Borrower
- D. Required Consents
- E. Opinion of Borrower's Counsel
- F. Pending Litigation Report
- G. Collateral Documentation
- H. Request for Advance

**Reporting
Requirements:**

- A. Audited annual financial statements (within 180 days of fiscal year end).
- B. Annual Budget (on or before first day of each fiscal year).

Loan Covenants:

- A. No Fannie Mae Foundation grants, loans or investments may be used by the Borrower to repay or facilitate the repayment of the Credit Facility.
- C. The Borrower will make timely payments of principal and interest.



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- D. The Borrower will obey and comply with all laws, ordinances and regulations that may adversely affect its corporate existence or that may be ordered by a court or other governmental body.
- E. The Borrower will pay all of its debt obligations in accordance with the terms set forth in those obligations.
- F. The Borrower will notify Fannie Mae in writing of any event of default within three days after obtaining knowledge of the event.
- G. Within 30 days of the commencement of a lawsuit that may materially impact the Borrower, the Borrower will notify Fannie Mae in writing of the suit.
- H. The Borrower will provide such information as Fannie Mae may request with reasonable promptness.
- I. The Borrower will maintain proper books and records.
- J. The Borrower shall cooperate with Fannie Mae with respect to any publicity relating to the Loan or projects funded with the Loan.
- K. The Borrower will not further encumber the collateral pledged to Fannie Mae.

Accepted By: _____

Date: _____

Name: _____

Title: _____